

FOR IMMEDIATE RELEASE  
June 7, 2024

Contact: David Walton  
[david.walton@usps.gov](mailto:david.walton@usps.gov)  
[usps.com/news](https://usps.com/news)



## **Change Imperative and Modernization Progress Video/Transcript of Postmaster General Louis DeJoy’s Keynote Address During the 2024 National Postal Forum**

INDIANAPOLIS — Postmaster General Louis DeJoy gave the keynote address at the 2024 National Postal Forum in Indianapolis on June 3, 2024. Below is the transcript of those remarks, which focuses on the imperative for change and progress in modernizing the Postal service. The video is available [here](#). For additional details, please see the [keynote address highlights in press release](#).

The following transcript of the Postmaster General’s remarks has been edited to remove transitional language related to introductions of videos and other speakers.

Welcome, and thank you all for being here!

As I approach my fourth year at the United States Postal Service, I remain fascinated by our history, our size, our people, and our many missions to serve the public and enable commerce.

We are iconic for pioneering modes of transportation, like the Pony Express and Air Mail, and employing America’s finest – from Benjamin Franklin and Abraham Lincoln to Harry Truman and Walt Disney.

Our footprint is unrivaled by any entity in the public or private sectors. We employ 640,000 people across our nation and its territories – more than FedEx, UPS, Home Depot, and IBM.

We are a retail giant with 31,000 retail centers in communities big and small, spread across the United States, where we are larger than Walmart, McDonalds, and Starbucks.

The Postal Service has the world's largest delivery operation, handling 123 billion pieces of mail and packages each year, accounting for 44 percent of the world's mail. We have nearly 336,000 delivery carriers, located in approximately 19,000 delivery units, delivering on 234,000 routes using over 230,000 delivery vehicles. We deliver to 167 million delivery points, six days a week across our nation. We go to the far reaches of Alaska, where I have been, and to the bottom of the Grand Canyon, which fortunately has not yet appeared on my schedule. In fact, 95 percent of the American public lives within five miles of a Post Office

The Postal Service is a sizable transportation organization — on the ground, with both local and national dispatches reaching 50,000 trips a day, traveling 1.9 billion miles a year, and in the air, contracting for billions of dollars of airfreight, and supporting operational costs.

The Postal Service has a sizable distribution operation with 400 Processing and Distribution Centers, operating thousands of automated equipment sets and distributing billions of dollars of goods and millions of pieces of communications each day.

We also have over 11,000 committed public servants in other roles, such as sales, marketing, technology, communications, customer support, human resources, and lawyers. We have a job for almost every profession and expertise that you could think of due to the scale of our operations, the scope of our mission, and the reach of our service.

We have a court, with judges that, well... judge. In fact, we even have a chief, Barksdale is his name, the head of the United States Postal Service Inspection Service – the oldest federal law enforcement agency that not only works hard to ensure America's confidence in the U.S. Mail, but also collaborates with other federal agencies to prevent drug trafficking, counterfeit postage and goods crimes, and other international and domestic threats to our nation.

As you can see, we are a complex organization with complex problems and situations.

Today, we provide many services, that require us to compete, for customers, employees, and revenue in a world that has dramatically changed, not only since our beginnings in 1775, but also since our creation as an Independent Agency in 1971, and for the conflict and constraints that began our decline in 2006, with the passage of the Postal Accountability and Enhancement Act.

In this world of dynamic and rapid change, we have operated in a "Twilight Zone" of policy, rules, regulations, opinions, demands, legacy, folklores, and fairy tales.

Now, with the sweeping transformational changes we are making, the postal environment has become a hotbed of events and activities — for our employees, for our customers, and for the American people as we overcome the past and set our sights on the future.

The future we seek has simple goals: Evolve, serve, and create long-term viability. However, this undertaking is of historic proportion. Our organization has been devastated, rendered inoperable and was on a terrible path which has not yet been fully solved for. And we continue to hold the plunge and raise ourselves up as we are satisfying our extraordinary daily demands and overcome the problems we face in an environment that is not accepting to change.

As I described, the Postal Service is a massive enterprise, with large administrative and operational functional groups incorporated within. These groups have been distributed throughout our nation's geography, to perform their service to the organization in fulfillment of its service to our country.

For many years prior to 2006, these functional enterprises worked hard at their specific areas of expertise, as a productive bureaucracy, running an organization that provided service and generated revenue, primarily through the sale of our market dominant products, this at a time when the American people had plentiful demand for our services and market dominant mail volume continually grew.

During this time, we constructed our prices based on the cost that our massive bureaucracy incurred in providing this service, in a way that ensured that all costs would be covered.

Prior to 2006, our pricing was easy – just add up our cost to serve and divide it by the number of pieces – and boom – the price of a stamp... more or less.

Each day these massive functional organizations within the Postal Service performed their duties in accordance with Title 39 of the United States Code of Federal Regulations, 900 Postal Policy and Procedures Manuals, scriptures of Enterprise-wide Business Rules.

The judgment of regional executives, the work rules of seven unions, and other administrative structural guardrails that resulted in a rules-based wisdom and organizational expertise, to become engrained in this functioning bureaucracy. These institutionalized practices kept the legislated, regulated business model viable.

This wisdom and expertise were specified, repeatable, documented, and transferrable to our employees, as we pursued our daily activities, and the ever-elusive goal of the Universal Service Obligation.

The Postal Service hired and trained our people for long term careers, invested in facilities, equipment, vehicles, and technology, and accomplished the mission for most of the population, in a satisfactory manner.

And we passed on our cost. Prior to 2006, it was basically simple math: addition and division — it worked!

Let's think about it – Universal Service in business. Could you sign up for Universal Service, if one of your customers wanted to buy some Universal Service, could you provide it? Could you price it? Could you cover your cost?

Universal Service sounds like a requirement to do all things at all costs. Could you do it? Could you do all things at all costs and survive?

Well, you could if enough paying customers wanted a service like that. You could if you didn't have any competition, and you could if the prices you charged covered all your costs, whatever they might be.

Well, that was precisely what the dedicated, bureaucratic, monopolistic Postal Service did from 1971 through 2006 with good success. They did all things at all costs to provide services that were understood to satisfy the Universal Service Obligation and put the cost, just about all the cost, in the price of postage, just as the system was designed in 1971.

You see, I am not speaking about whether the prior method was efficient or not, although if I gave you a letter and 8 cents in 1971, could you get it from Bangor, Maine to Los Angeles, California in three days and cover your cost to do so?

Under the old system, the service requirement was specified, and the cost, price, and volume to accomplish the service was aligned with the operational structure, the operational practices, and the regulations.

Let me explain further. Structure, operations, cost, price, demand, and service expectations were aligned, mutually dependent on each other for a successful Postal Service at that time in America. But in 2006, Congress came up with a different idea that significantly disrupted that model. They passed legislation that limited price increases to a fraction of what would soon be required.

I wonder who came up with that idea... because it had terrible consequences.

In 2006, Congress passed the Postal Accountability and Enhancement Act (PAEA), which capped market dominant price increases to CPI, placed an unfair retirement cost burden on the organization, and gave new powers to our regulator. At almost the same time the digital revolution compounded with the Great Recession, caused mail volume to decline at an extraordinary pace. Immediately, losses began mounting!

Well, the bureaucracy, and now defunct monopoly, and Title 39, and 900 Policies and Procedures manuals, and union agreements, and regional executive judgment, and the committed public servants well-experienced in delivering universal service under the old rules, with their massive infrastructure, did not have an adequate answer or the time to develop one, for how to overcome this dramatic shock to the business model, which no longer ensured that costs would be covered.

Such began the 15-year aftershock, and the fallout, which brought the Postal Service to near catastrophic failure when I arrived here in June of 2020 at the beginning of the pandemic. And there was no plan to solve for this anywhere, from anyone! Looking back to 2006, how could the Postal Service have had an answer? How could a massive bureaucracy, populated with hundreds of thousands of dedicated public servants, who were the product of an ingrained institutional memory, wholly focused on providing universal service to the American people and a decades-long understanding that costs would be covered by the system.

The task at hand for Postal leadership was monumental – dramatically evolve your leadership and employee culture, reevaluate your partner and supply relationships, redesign your infrastructure, reimagine your mission, dramatically reduce your costs, evaluate and align your service, create new competitive products and learn how to sell them. This needed to be accomplished almost immediately as the Postal Service was serving the nation and losing billions of dollars with no end in sight.

Failure to adequately adapt to social, economic, technological, and industrial changes have destroyed giants in their industry – Kodak, Motorola, Blockbuster – in just a few short years. The demands of the changes experienced by the Postal Service were magnitudes greater. In addition, these organizations did not have a Congress or a regulator to contend with.

Over the 14 years following the passage of PAEA, the Postal Service incurred nearly \$90 billion in losses, deferred \$20 billion in maintenance, and could not invest in crucial modernization and allowed its organization and operational prowess to significantly deteriorate.

The organization had been immediately put into deconstruction mode, creating devastating outcomes that would accompany any event of this magnitude. Adding to the problem, and just like today, after passing the PAEA, Congress did not change their expectations of the service obligations even a little. They remained in love with the Universal Service Mission. But Congress did not stop there. They also blessed us with a more powerful regulator, well suited to administer the ‘all things at all cost service requirements, but not able to do basic math for 15 years to correct for an obvious defective pricing model costing the Postal Service an estimated \$50 billion.

Congress and the regulator maintained their romance of the good old days, of monopoly and bureaucracy and universal service and resisted change despite the reducing mail volumes, despite the great recession, despite the data and reporting, despite the transparency of the crisis manifesting before them.

And the losses mounted, the employees’ retirement fund got raided, the infrastructure deteriorated, the vehicles aged, the service degraded, and the bones got picked, as the organization still pursued the mission of universal service at ever increasing costs. The Postal Service could not possibly timely address the broad and sweeping changes required for long term viability, given the pervasiveness of the operating legacy, its institutional culture, and the resistance to change we faced.

The magnitude of the changes required were so great, they were unimaginable at the time. The consequences of making any of the most meaningful changes required were too politically and financially untenable for our stakeholders to even consider, and they mounted fierce opposition. So, the Postal Service deconstructed. We got random in our strategies and operations. We got dismissive in our employment practices. We stopped investing and got rundown.

We avoided making big decisions, and we developed a strategy of simply getting through the day, which created a new organizational culture, one of stagnation during a period of rapid change and opportunity. The Postal Service was unable to adequately address the future – one that required an entrepreneurial spirit, and a willingness to teach and engage the entire workforce in a new strategy. It also required a passionate and unrelenting advocacy in the competitive marketplace, and with the political bureaucracy, that mostly stood in the way.

In 2006, Congress and the Postal Regulatory Commission legislated and began regulating a business model that was dead on arrival. This was immediately proven. Their new requirements flew in the face of the financial service and operating model created in 1971 when the self-sustaining, independent agency was created. Then, and still to this day, they fail to acknowledge the devastating consequences those losses of this magnitude and duration put upon the Postal Service, and they fail to accept the sweeping changes required, the speed at which they need to be accomplished, and the imperfection that materializes when taking on such an endeavor under these adverse conditions.

The 2006 legislation was a shocking blow to the Postal Service. The subsequent 15 years of actions and inactions by Congress and our regulator substantially destroyed it. As we proceed with our transformation, we must do so by overcoming the damage inflicted to infrastructure, to people, to missions, to culture, and we must correct for the bad practices we developed as an organization under duress without a plan.

When I arrived, the trajectory was in plain sight. We were 15 years into a 25-year plan to lose close to \$300 billion dollars. And that is what today, we are working very hard to change.

We have a plan. You haven't heard? It's called the Delivering for America plan, and we are making great progress on the strategies it identifies. And that is what I hope you come away with from this forum. Our efforts do not come without uncomfortable consequences, to our customers, to the American people, and to our employees.

But they must be made. We are doing the necessary and important work for the nation, to develop a new path forward. But this only comes with changing the institutional culture of the whole organization, by championing our own transformation with an entrepreneurial spirit, by engaging to teach our entire workforce in a new mission, by displaying a passion for advocacy for our service and competitive marketplace and by combating the political bureaucracy that is void of any solution, but steadfast and status quo.

This is what the Delivering for America plan is about. We are engaging. We are learning. We are changing. We are evolving. We are fixing. We are competing and we are fighting for our status as an independent agency created to service the American people and American businesses in a mission that can be sustained over the long term.

Things are changing and our people are excited.

[The Postmaster General here introduced a video and another speaker]

As you can see over the last several years, one of the major initiatives we have had is to break up the bureaucracy and change the institutional thinking of the past to one that will embrace change and create and engage in winning strategies.

We have made numerous organizational changes and formed an entourage of collaborative leaders across the headquarters and field workforce that actively contribute to organizational decision making as they never have before. I am proud of their engagement and their contributions to our transformation. Now, it is time for our greater mission.

While we are a new organization throughout many segments of the Postal Service, for the past six months it has been time to take it to the field and execute on our infrastructure and operating improvements. This effort is massive. We are improving how we operate our Processing and Distribution Centers.

We are improving how we operate our long-distance ground transportation. We are improving how we operate our air cargo transportation. We are improving how we operate our local transportation. We are improving how we operate our delivery operations. We are improving our products and how we sell and support them. We are providing our employees with new tools and equipment and habitable workplaces to perform their duties. And we are raising our expectations of the whole organization to transform and excel.

This robust effort will create the synergies to align all operations, all products, all services, and all cost, to all the revenue we believe available to us – and go get it! Thus, creating a service model that can survive and thrive.

We are an organization that no longer has a sustainable monopoly. We are an organization that now has a costly public service obligation and lacks a funding source adequate to cover the cost, in the manner that we serve. We are an organization that now must compete in the marketplace, for its customers, its revenue, and its employees. We are an organization that must accomplish our transformation, while continuing to serve the nation daily in its expansive requirements.

As I discussed, prior to 2006 the Postal Service aligned its business and operations model to the service it needed to provide – and passed on all its cost to do so – in accordance with various legislation, regulation, and rules. When product volume and reimbursable revenue changed, so that its cost to provide these services could not be covered, it was unable to adjust its service in a meaningful way to reduce its cost of operations. Thus, the broken business model. We are now trying to fix the broken business model.

The Delivering for America plan contains many infrastructure and operating strategies to improve our operating model, grow our revenue and modify our service, to reach every American in a reliable and affordable manner, while striving to cover our cost. This will require a major change in culture, operating infrastructure, operating practice, and initiatives that sponsor growth.

One of the biggest fundamental changes we are trying to make is to integrate all mail and package operations to create a value-added cost-effective operating model, from which to design our products and services and to cover our costs.

We are creating a model that imagines a conveyor moving from your home or business to every other home or business in the country. This conveyor will run six, and in some places seven days a week, moving mail and packages together in an integrated and theoretically fixed, and cost-effective manner. Why are we taking this approach? Well, because the most complicated and costly part of this process is already built and operating and is required by law.

Our carrier route system that delivers to 167 million addresses, six days a week, is over 50 percent of our personnel budget. Yet, more than half of our carrier routes lose money. We are now implementing a strategy that improves on all delivery and collection operations while reducing upstream costs across the country. In addition, we are deploying strategies to generate additional volume and revenues throughout the whole system, not just the last mile.

This approach will enable us to create synergies and leverage in both cost and revenue. We will design new products, and integrating our operations, reduce our cost and grow our business. Simply put, streamlined operations, and more cubic volume through our total system, priced appropriately, is the path to future sustainability.

We are focused on a design for Postal Service products and an operating network that advantages us. Not a network and product products that disadvantage us, which is what we have long had!

One of the fundamental strategy failures the Postal Service made was not aligning our facilities and logistics network to serve all our products in an effective and integrated way. Logically aggregating and sequencing the value-added process of mail and package sorting and movement through our network, to achieve the most productivity for our costs, and benefit to our customers. As we were deconstructing and losing money, mail volume was rapidly declining, American homes were spreading throughout the nation, and concurrently package shipping became the new frontier.

We did not address this well. When I arrived here, I found the network and operating solutions for our products to be silly, costly, and random. We had a network of dilapidated facilities for most market dominant mail supported by multiple transportation networks.

We had a network of annex facilities for First-Class packages that were ill-equipped to perform the work and was supported by a great deal of transportation. For your packages that weighed over a pound, and

that you wanted fast and were willing to pay more, we had a Priority Mail network and a network supporting our Priority Mail. Also, for your package that weighed over a pound, for some reason you wanted slow and were willing to pay just as much, we had our retail ground network. Not too many people could figure out why to use it, but we kept it around for a long time, just in case slow and pricey became a thing.

Then we had a network of buildings with FSS (flats sequencing system) machines, a network of facilities for non-machinable packages. A network of facilities for air and ground cross docking, a network for peak season. With all those networks, we then enabled another network – a network of commercial operators running around our network of networks and entering directly into our network of delivery units.

And boy, do we have a network of delivery units, nearly 19,000 of them undersized and in disrepair, engaging in an operating strategy designed and developed well over a half century ago. And all these networks required many hands because that's how we processed packages. The ultimate in hands-on management style.

So, this random and ineffectively deployed network of over 400 dilapidated and ill-equipped processing and distribution facilities, connected to 19,000 unimpressive delivery units by spending billions of dollars in transportation, is what has become the sacred cow of the Postal Service that we are trying to unravel – and everyone is crowing about it.

I am a simple person well qualified to make simple observations. This sacred cow is unholy. The sacred cow is a shrine to political nonsense, failed practices, and resistance to change. The sacred cow is depriving the American people of a viable Postal Service.

We have had failing and cost-burdened operations because of a network that is the result of our radical and spontaneous actions in the past. It is not logical, does not enable efficient and repeatable processes, and for a variety of reasons, has disabled the effectiveness of our workforce. In its current state, our network prevents us from making the substantial improvements required to enable the long-term viability of the Postal Service. It must be dramatically and urgently changed.

Prior to Delivering for America, there was no plan to do anything effectively to address this obvious problem. We are now designing and implementing a new, integrated mail and package network, that will be logical, fully utilized, cost effective, and reliable. We will also design our products and revenue streams so that they will support, and be supported by, the integrated and efficient operating practice we deploy. When complete, we will reduce the facilities we operate in by over 150 locations, improve our productivity dramatically and significantly reduce our transportation cost, while providing reliable service.

We will enable our employees to perform their duties in habitable workplaces, with the right tools and equipment, under proper instruction and supervision and with achievable daily expectations, to deliver quality work at a respectable cost.

We need to be able to compete and develop a winning strategy and a winning attitude. That is what we are doing with our strategy for Regional Processing and Distribution Centers, Local Processing Centers, Sorting and Delivery Centers, transportation operations, vehicle and equipment investments, employee engagement activities, and our new sales and marketing initiatives.

[The Postmaster General here introduced a video and other speakers]

My life and career experience has taught me many theories, concepts, notions, or perhaps just things. Like many of you, given some time for a philosophical chat, I will fill the air with Socratic wisdoms about life. However, when I really need to shorten it up, I go with tips, as I call them. I have two that must be practiced together. The first, in all endeavors in decision making, seek to be consequential. It provides meaning. The second tip, in all life's journey, try not to do anything really stupid. Standing here in my position today, I am not going to comment on how compliant I have been with the second objective.

And now to the longer Socratic version. Another theory, notion, or thing I have is that an organization that wishes to evolve, must engage in ongoing problem solving, not only to overcome the issues at hand, but also to identify the unknown pitfalls, and uncover hidden opportunities as work is being performed. Those

pitfalls and opportunities should be investigated, eliminated, or capitalized on in a thoughtful but urgent manner.

The Postal Service with its many problems, also has a wealth of opportunities in its people and its capabilities. We are engaging in this intense reconnaissance mission across our enterprise. We are trying to build a culture of operational curiosity, continuous improvement, and urgent problem-solving, as we unwind from our situation and move forward. That is what the Delivering for America plan is about for the men and women of the United States Postal Service.

Engaging in the change, identifying the problems and opportunities, and responding to them. Thus, the comprehensive and evolving path we are on that will bring experiential knowledge to our organization throughout. Our new environmental sustainability initiative is a prime example of this process. Our desire was to have our unique federal agency lead in its alignment to national and global environmental policies, without jeopardizing our ability to serve our public service mission and cover our costs.

It was the combination of our initiatives to urgently acquire needed new vehicles, to reduce our substantial transportation costs, and to renovate and uplift our “ratty old” facilities that enabled us to identify our opportunity to develop a leading environmental sustainability program. Our detailed work and collaboration, and transformative process, led to the formation of new organizational structure – an Environmental Council of Postal Leadership – engaging all the authority of the organization.

We then identified a tangible objective – align our carbon reduction goals to our massive cost reduction initiatives. After all, just about every dollar we spend, we burn carbon! Our work in this area has put the Postal Service on a path to dramatically reduce our carbon footprint. We now have an impressive environmental sustainability program that will continue be a leading one in our nation.

[The Postmaster General here introduced a video]

As I hope you can see, in alignment with the strategies and objectives outlined in the Delivering for America plan, the Postal Service has been examining every aspect of our organization, service, and operations. Our examination and transformative efforts have required time consuming diagnostics, careful understanding of the damage and opportunities within, great ingenuity, unprecedented collaboration, complicated decision making, a vision for the future, and good old hard work!

We are addressing the many obvious long-lived knowns that contribute to our failing business model, and we have uncovered the many damaging unknowns hiding in our organization, easily identifiable when viewed with a fresh perspective, a perspective that seeks service excellence, financial stability, leadership, teamwork, employee engagement, organizational success, public service, and a viable Postal Service for the American people.

To attain these objectives our work requires us to dismantle the long-standing practices of the past, both internal and external, that on the surface may have been less controversial for us to just let be but have long proven to be failing our mission. Besides, when it comes to matters concerning the United States Postal Service, I am not a just-let-it-be kind of Postmaster General. Our Governors do not constitute a just-let-it-be kind of board. Our leadership has grown, not to be a just-let-it-be kind of team. And together, we have excited our people and engaged them in our mission to transform the Postal Service in to one:

- That performs with efficiency, operating precision, and financial viability
- That perfects its role in our nation’s commerce and communications
- That expands its role in our communities
- That readily deploys its infrastructure in our nation's times of crisis
- That is a dependable partner with its customers, suppliers, federal agencies, state governments, and international posts; and



- One that takes care of itself, as legislated, as an independent agency, evolving and thriving, being free of political influence, as it serves the nation daily.

We have achieved much over the last three years, pursuing the strategies identified in the Delivering for America plan, too many to list, read the reports to Congress. They come out every six months. The most widely distributed, unread and never quoted, document in Washington.

I will mention one achievement; it is the most important, most impactful, and most long lasting. The DFA plan is about inspiring a change to the culture of the Postal Service Team through our work together. This is happening. The men and women of the United States Postal Service are engaged in transforming the organization, into a vibrant one – which is necessary, for the long-term service the nation requires.

Thank you for your support of our efforts and thank you for joining us at the Forum! Enjoy it. Feel the energy.

Thank you.

###

**Please Note:** The United States Postal Service is an independent federal establishment, mandated to be self-financing and to serve every American community through the affordable, reliable, and secure delivery of mail and packages to 167 million addresses six and often seven days a week. Overseen by a bipartisan Board of Governors, the Postal Service is implementing a 10-year transformation plan, [Delivering for America](#), to modernize the postal network, restore long-term financial sustainability, dramatically improve service across all mail and shipping categories, and maintain the organization as one of America's most valued and trusted brands.

The Postal Service generally receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

For USPS media resources, including broadcast-quality video and audio and photo stills, visit the [USPS Newsroom](#). Follow us on [X](#), formerly known as Twitter; [Instagram](#); [Pinterest](#); [Threads](#) and [LinkedIn](#). Subscribe to the [USPS YouTube Channel](#) and like us on [Facebook](#). For more information about the Postal Service, visit [usps.com](#) and [facts.usps.com](#).